

WHAT IS CLAIMED IS:

1. A method for acquiring and distributing natural gas in relatively large quantities by a gas utility company wherein the purchase of gas from a gas producer and to be distributed by said utility is financed by an intermediary entity, said method comprising the steps of:

negotiating at least one of the purchase, transport and storage cost of said gas by one of said utility and said intermediary entity;

providing payment by said intermediary entity for said gas and taking title to said gas by said intermediary entity;

carrying out one of transporting said gas to a storage facility and identifying said gas at a pre-determined storage facility;

acquiring funds to pay for gas purchased by said intermediary entity by issuing debt instruments by said intermediary entity through financial markets;

collecting payments by said intermediary entity from said utility for gas delivered to utility customers in accordance with a sales contract between said utility and said intermediary entity; and

repaying debt instruments at maturities thereof by said intermediary entity from funds received from said utility pursuant to said sales contract.

2. The method set forth in Claim 1 including the steps of:

5 assessing the risk of receiving payment from said utility by said intermediary entity based on selected parameters related to geographical territories serviced by said utility for the purchase of gas from said utility by customers of said utility within said territories, respectively.

3. The method set forth in Claim 2 wherein:

said risk assessment includes a determination of selected parameters within a geographic territory.

4. The method set forth in Claim 3 wherein:

said parameters are determined for subdivisions of said geographic territory defined by postal service code.

5. The method set forth in Claim 3 wherein:

5 said parameters are selected from a group consisting of population, residential housing units, retail merchant space, industrial production space, household income and sales tax receipts of said territories, respectively.

6. The method set forth in Claim 3 wherein:

5 said parameters are selected from a group consisting of historical heating/cooling degree days, present weather forecast, and historical weather by one of an hourly and daily basis within said territories, respectively.

7. The method set forth in Claim 2 including the steps of:

forecasting demand patterns for gas to be withdrawn from storage based on the parameters set forth in one of Claims 5 and 6 and comparing said demand patterns with the capability of withdrawal of gas from said storage facility by a facility operator.

8. The method set forth in Claim 7 including the step of:

notifying said facility operator of requirements to release gas from storage in accordance with a schedule derived from the steps of Claim 7.

9. The method set forth in Claim 2 including the step of:

forecasting expected cash flows from customers serviced by said utility in said territories.

10. The method set forth in Claim 9 including the steps of:

determining the requirements for one of issuance and reissuance of debt instruments and at least one of monetary amounts thereof and maturity dates thereof and issuing debt instruments as required to finance the purchase of said gas by said intermediary entity and corresponding to expected cash flows to said intermediary entity from said utility.

11. The method set forth in Claim 1 including the steps of:

5 determining an interest rate to be one of charged to said utility and paid on said debt instruments by assessing risks of loss by said intermediary entity, said risks of loss selected from a group consisting of interest rate risk, default on repayment of said debt instruments risk, maturity schedule of debt instruments risk, injection, storage and deliverability of said gas risk, gas measurement
10 risk, physical loss of said gas during transmission and in storage risk, business conditions risk and economic risk.

12. The method set forth in Claim 11 including the steps of:

5 determining an interest rate to be charged to said utility based on one or more of said risks.

13. The method set forth in Claim 11 including the step of:

5 assigning a weight value to selected ones of said risks and determining a composite risk value.

14. The method set forth in Claim 1 including the steps of:

5 determining the anticipated producing rate of gas for storage in said storage facility and determining the dollar volume of debt instruments available periodically based on said rate of production and delivery to storage.

15. The method set forth in Claim 1 including the steps of:

5 monitoring pressures and fill quantities in said storage facility to determine storage facility performance and determining the extent of rollover of debt instruments as said debt instruments reach maturity based on said storage facility performance.

16. The method set forth in Claim 1 including the step of:

5 monitoring the aging of accounts receivable of said utility to determine the risk associated with said intermediary entity achieving a predetermined return on investment.

17. The method set forth in Claim 1 including the step of:

5 acquiring data with respect to said utility related to historical daily temperatures in a service territory served by said utility to determine the parameters of expected placement of gas in storage and withdrawal of gas from storage for said utility.